Federal Economic Development Agency for Southern Ontario

2014–15

Departmental Performance Report

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

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Ministers' Message

We are pleased to report on the Federal Economic Development Agency for Southern Ontario's (FedDev Ontario) key activities in 2014–15.

Our overarching goals within the Innovation, Science and Economic Development portfolio are to help Canadian businesses grow, innovate and export so that they can spur economic development and create good quality jobs and wealth for Canadians in all regions across the country; to help small businesses grow through trade and innovation; to promote increased tourism to Canada; to promote and support scientific research and the integration of scientific considerations in our investment and policy choices. We are committed to working closely with colleagues and stakeholders from all of these diverse fields to achieve these objectives.

We are pleased to present the 2014–15 Departmental Performance Report for FedDev Ontario.

The Honourable Navdeep Bains
Minister of Innovation, Science and Economic Development

The Honourable Kirsty Duncan
Minister of Science

The Honourable Bardish Chagger
Minister of Small Business and Tourism

Section I: Organizational Expenditure Overview

Organizational Profile

Minister of Innovation, Science and Economic Development:
The Honourable Navdeep Bains, P.C., M.P.

- The Honourable James Moore, P.C., M.P. (responsible Minister for 2014–15)
- The Honourable Gary Goodyear, P.C., M.P. (responsible Minister of State for 2014–15)

Minister of Science:
The Honourable Kirsty Duncan, P.C., M.P.

Minister of Small Business and Tourism:
The Honourable Bardish Chagger, P.C., M.P.

President:
Nancy Horsman (Appointed on August 10, 2015)

Ministerial Portfolio:
Industry (portfolio name for 2014–15)[1]

Enabling Instrument:
Order in Council P.C. 2009–1410 dated August 13, 2009, amending Schedule I.1 of the *Financial Administration Act* to include the Federal Economic Development Agency for Southern Ontario as a department.

Order in Council P.C. 2009–1411 dated August 13, 2009, whereby the Department of Industry transferred to the Federal Economic Development Agency for Southern Ontario the control and supervision of the portion of the federal administration in the Department of Industry known as the Southern Ontario Regional Economic Branch.

Year of Incorporation / Commencement: 2009

Headquarters: Kitchener, ON (in 2014–15)

Offices: Toronto, ON
Peterborough, ON
Ottawa, ON

[1] In November 2015, the Department's name was changed to Innovation, Science and Economic Development Canada.

Organizational Context

Raison d'être

The Federal Economic Development Agency for Southern Ontario (FedDev Ontario) was established in 2009 to support growth in southern Ontario through the delivery of federal programs and services.

In 2013, FedDev Ontario's mandate was renewed for a second five-year term, from 2014–15 to 2018–19. Budget 2013 provided the Agency with $920 million in core funding for this five-year period, with a renewed commitment to strengthen the region's capacity for innovation, entrepreneurship and collaboration, and to promote the development of a strong and diversified southern Ontario economy.

The Minister of Innovation, Science and Economic Development is responsible for this organization.

Responsibilities

FedDev Ontario's mandate is to support economic growth and competitiveness in southern Ontario. The Agency delivers this mandate through three core transfer payment programs designed to address specific opportunities and challenges facing the region: the Southern Ontario Prosperity Initiatives (SOPI); the Advanced Manufacturing Fund (AMF); and the Eastern Ontario Development Program (EODP). As a co-investor, the Agency generally has an expectation that all projects will leverage funding from other sources. As of March 31, 2015, FedDev Ontario has expended more than $1.2 billion in program funding since its inception, which has leveraged an additional $2.4 billion to support the southern Ontario economy.

FedDev Ontario, like other regional development agencies, also plays an important role as a federal delivery agent for national programs, specifically the Community Futures Program (CFP) and the Economic Development Initiative (EDI) and administration of certain national infrastructure programs across the entire province. The Agency also delivers special federal programming such as the $8-million project to fund the revitalization of Toronto's Massey Hall and a $12-million grant for the remediation of a former industrial site in the city of Brantford, Ontario.

In addition, FedDev Ontario delivers services at the regional level to firms and other stakeholders on national initiatives. In this regard, the Agency works with southern Ontario firms to identify opportunities to participate in defence procurement projects, in support of the Industrial and Technological Benefits Policy. The Agency also operates Canada Business

Ontario (part of the Canada Business Network), which helps entrepreneurs to gain access to government business information, such as available funding opportunities.

With its headquarters in Waterloo (as of June 2015), and offices in Toronto, Peterborough and Ottawa, FedDev Ontario provides a strong federal presence across southern Ontario and facilitates collaboration with a broad range of stakeholders, including post-secondary institutions, municipal and provincial governments, Indigenous communities and private sector firms. The Agency plays an important role in convening key regional stakeholders to enable more seamless support to businesses and other stakeholders, and works closely with the provincial government to ensure complementary approaches for advancing the southern Ontario economy. In addition, through ongoing partnerships with other federal departments and agencies FedDev Ontario ensures that the perspectives of southern Ontario are reflected in decision-making at the federal level.

The Agency focuses its activities in four areas:

- **Technological Innovation:** FedDev Ontario facilitates business-led partnerships with post-secondary institutions and research institutes to support the creation of new products, services, processes and markets. The Agency also promotes continued growth and increased productivity of Ontario's manufacturing sector by supporting transformative advanced manufacturing activities, advancing adoption of cutting-edge technologies, establishing clusters or global supply chains, and fostering collaboration between the private sector and post-secondary and research institutions.
- **Business Development:** FedDev Ontario supports a broad spectrum of firms at all stages of growth. Agency investments help early-stage companies and entrepreneurs to access capital and develop the necessary skills to grow their businesses and commercialize their innovations; improve productivity and scale up operations to effectively compete in global markets and integrate into global value chains; and leverage regional assets to support economic diversification and growth in communities across southern Ontario.
- **Community Economic Development:** FedDev Ontario supports community-based organizations that provide southern Ontario firms with the information, training and loans they need to sustain and grow their businesses. The Agency also delivers national infrastructure programs that benefit communities across southern Ontario.
- **Internal Services:** FedDev Ontario's internal service activities include policy activities that enable the Agency to effectively advocate for the region's interests in national policy discussions, champion the region's assets and convene stakeholders to address regional challenges. Through this activity, the Agency also undertakes activities required for its ongoing operation.

Scope of Operations

FedDev Ontario's headquarters was established in 2009 in Kitchener, Ontario, with additional offices in Toronto, Peterborough and Ottawa that help support program and service delivery.[3] Its mandate covers southern Ontario, as defined by the following 37 Statistics Canada census divisions:

- Stormont, Dundas and Glengarry
- Kawartha Lakes
- Niagara
- Middlesex
- Prescott and Russell
- Peterborough
- Haldimand–Norfolk
- Huron
- Ottawa
- Durham
- Halton
- Essex
- Brant
- Bruce
- Leeds and Grenville
- York
- Waterloo
- Grey
- Lanark
- Toronto
- Perth
- Simcoe
- Frontenac
- Northumberland
- Hamilton
- Peel
- Oxford
- Haliburton
- Lennox and Addington
- Dufferin
- Elgin
- Renfrew
- Hastings
- Wellington
- Chatham–Kent
- Prince Edward
- Lambton

[3] FedDev Ontario relocated its headquarters to Waterloo in June 2015.

According to Statistics Canada's annual population estimates for 2014, southern Ontario has a population of over 12.8 million, representing 93.7 percent of Ontario's total population and 36.1 percent of the total population of Canada.

Strategic Outcome and Program Alignment Architecture (PAA)

The Program Alignment Architecture (PAA) is a logical depiction of FedDev Ontario's programs and activities and its strategic outcome and objectives. FedDev Ontario's expected results at both the program and sub-program level are organized to demonstrate progress against the Agency's target goals and its overall mandate.

FedDev Ontario's 2014-15 PAA remained consistent with previous years with the notable exception of the close-out of sub-programs 1.1.1 and 1.1.2 to reflect the shift in programming that accompanied the renewal of the Agency's five-year mandate. These two sub-programs were designed to support projects under FedDev Ontario's first mandate that promoted educational awareness and addressed skill shortages in southern Ontario. In the context of the Agency's second mandate, it was determined that other organizations in southern Ontario were sufficiently addressing these areas and that FedDev Ontario would direct its resources to other key areas to support economic growth in the region.

1. Strategic Outcome: A competitive southern Ontario economy

- **1.1 Program:** Technological Innovation[3]
  - **1.1.1 Sub-Program:** Science, Technology, Engineering, and Mathematics Awareness **(ended in March 2014)**
  - **1.1.2 Sub-Program:** Skills Development **(ended in March 2014)**
  - **1.1.3 Sub-Program:** Technology Development and Commercialization

- **1.2 Program:** Business Development
  - **1.2.1 Sub-Program:** Business Investment
  - **1.2.2 Sub-Program:** Business Productivity and Innovation

- **1.3 Program:** Community Economic Development
  - **1.3.1 Sub-Program:** Community Futures Program
  - **1.3.2 Sub-Program:** Eastern Ontario Development Program
  - **1.3.3 Sub-Program:** Official Languages Minority Communities
  - **1.3.4 Sub-Program:** Infrastructure Delivery

Internal Services

[3] *Funding to activities under sub-programs 1.1.1 Science, Technology, Engineering, and Mathematics Awareness and 1.1.2 Skills Development concluded on March 31, 2014.*

Organizational Priorities

The following presents FedDev Ontario's key organizational priorities in any given year. In 2014–15, FedDev Ontario focused on delivering its new suite of programming, which was based on lessons learned from its first five-year mandate, consultations with stakeholders and an assessment of regional needs.

Priority	Type[1]	Strategic Outcome and Program
Supporting Innovation and Commercialization -	New	**Strategic Outcome:** A competitive southern Ontario economy **Program 1.1** — Technological innovation

Summary of Progress

- In 2014–15, FedDev Ontario introduced a new suite of programming as part of its renewal. Two initiatives – Investing in Commercialization Partnerships (ICP) and the Advanced Manufacturing Fund (AMF) – were designed specifically to spur innovation and commercialization.
    - Through the Agency's ICP initiative, FedDev Ontario worked with post-secondary institutions and not-for-profit organizations to encourage project applications that supported business-led partnerships with a focus on developing globally-competitive products and services that can demonstrate commercial value. ICP aims to address the innovation and commercialization gap between the private sector and research institutions, post-secondary institutions and not-for-profit organizations so that the region can compete on an international platform.
    - In 2014–15, AMF was launched as a province-wide fund with an allocation of $200 million over five years to support manufacturers as they work to increase competitiveness, invest in innovation and boost productivity across Ontario. FedDev Ontario worked with manufacturing companies, post-secondary institutions and not-for-profit organizations that are collaborating with Ontario manufacturers, to support multi-year projects that are expected to lead to the development of transformative products, process innovations, improved productivity and first-in-Canada technologies. These investments are expected to help Ontario manufacturers create high-quality, highly-skilled jobs and compete globally.

[1] Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

- FedDev Ontario also engaged with federal and provincial partners such as: Industry Canada (now known as Innovation, Science and Economic Development); the Federal Economic Development Initiative for Northern Ontario (FedNor); Sustainable Development Technology Canada; National Resources Canada; the Ontario Ministry of Northern Development and Mines; and the Ontario Ministry of Economic Development, Employment and Infrastructure, to obtain referrals for AMF. The Agency convened meetings and roundtables with manufacturers, post-secondary institutions and research institutes to promote innovation and commercialization initiatives.

Priority	Type	Strategic Outcome and Program
Fostering Business Growth	New	**Strategic Outcome:** A competitive southern Ontario economy **Program 1.2** — Business Development

Summary of Progress

- FedDev Ontario continued to support early-stage companies through its Investing in Business Innovation (IBI) initiative, with a focus on innovative technologies and products by leveraging domestic and foreign angel and venture capital. Through this initiative, the Agency encouraged not-for-profit organizations to work with new entrepreneurs and provided funding to southern Ontario angel networks to expand their membership base and grow their investment capital.

- As part of its renewal, FedDev Ontario placed a greater focus on helping existing businesses to expand. Through the Investing in Business Growth and Productivity (IBGP) initiative, FedDev Ontario provided support to companies to expand their manufacturing facilities, capabilities and technologies, while also increasing their ability to participate in global markets and strengthen knowledge-based clusters throughout southern Ontario. Ultimately, all projects under this initiative are expected to result in increased productivity and exports.

- As part of FedDev Ontario, Canada Business Ontario's (CBO) online presence, contact centre and outreach activities responded to approximately one million inquiries from individuals across Ontario, providing information on how to start, manage and grow their businesses. Throughout the 2014–15 fiscal year, CBO continued to provide contact centre services in support of the National Research Council's Industrial Research Assistance Program and the Concierge Service across all of Canada.

Priority	Type	Strategic Outcome and Programs
Strengthening Communities	**New**	**Strategic Outcome:** A competitive southern Ontario economy **Program 1.2** — Business Development **Program 1.3** — Community Economic Development

Summary of Progress

- As one of its newest initiatives, FedDev Ontario's Investing in Regional Diversification (IRD) initiative supported projects that enhance business attraction; strengthen regional businesses and clusters; support collaborative efforts to strengthen competiveness; and improve the economic circumstances of communities facing distress. The initiative brings not-for-profit organizations and private sector/community partners together to build on economic strengths and opportunities to respond to challenges, and develop ways to create competitive and resilient communities.

- Through the Economic Development Initiative (EDI), FedDev Ontario supported multi-year projects that aim to improve access to business and entrepreneurship services and training (especially through youth internships) and increase access for new and existing entrepreneurs in Francophone communities.

- Building on a long history of supporting communities through the Community Futures Program (CFP), FedDev Ontario supported the 36 Community Futures Development Corporations (CFDCs) to partner with rural communities across southern Ontario. Working with CBO as well as local organizations, CFDCs were able to expand their reach to small businesses and provide strategic advice and funding to small- and medium-sized enterprises. FedDev Ontario also provided funding to nine community economic development projects to enhance the capacity and reach of CFDCs in their communities.

- FedDev Ontario continued to administer 61 projects through the Building Canada Fund - Communities Component (BCF-CC) program across the province. Delivered on behalf of Infrastructure Canada, this program provided funding for local infrastructure projects in communities with less than 100,000 people. FedDev Ontario also undertook administrative close-out activities and reporting requirements related to the Community Infrastructure Improvement Fund, which ended on March 31, 2014.

- FedDev Ontario monitored the progress of the Massey Hall Revitalization project with an investment of $1.8 million in 2014–15 towards total support of $8 million. The Agency also continued to work with the City of Brantford as work continued on the Brantford Greenwich–Mohawk Brownfield Remediation project.

Priority	Type	Strategic Outcome and Programs
Convening and championing within and for southern Ontario	**New**	**Strategic Outcome:** A competitive southern Ontario economy **Program 1.2** — Business Development **Internal Services**

Summary of Progress

- As a champion for southern Ontario firms, FedDev Ontario engaged in strategic consultations and continued to build key relationships to support Industrial and Technological Benefits (ITB) opportunities. The Agency advocated access to defence-related business opportunities by southern Ontario firms and promoted the capabilities of these companies to major defence contractors. FedDev Ontario also worked to promote the Government's Defence Procurement Strategy, including the introduction of a Value Proposition, to both southern Ontario companies and to defence contractors.

- FedDev Ontario worked collaboratively throughout the year with its federal and provincial partners, municipalities and First Nations communities and other Indigenous associations to deliver its transfer payment programs across Ontario, as well as special projects (i.e., the Massey Hall Revitalization project) and programs delivered on behalf of Infrastructure Canada and jointly with the Government of Ontario. This included working with Industry Canada on the delivery of AMF.

- In 2014–15, FedDev Ontario conducted two outreach and awareness sessions with Francophone organizations in southern Ontario and took part in the biennial *La Journée de dialogue*, hosted by Industry Canada on January 20, 2015. The purpose of these events was to raise awareness and understanding of the resources available through the Economic Development Initiative (EDI) to support Official Language Minority Communities in Ontario.

- As a champion for and convenor of key interests in southern Ontario, FedDev Ontario continued to represent the region's economic interests at a federal level. FedDev Ontario brought stakeholders together in 2014–15 to respond to the region's challenges and opportunities. Through the February 2015 Joint Economic Development Partners meeting, senior executives from southern Ontario economic development organizations, including the Business Development Bank of Canada, Industry Canada, the Export Development Bank of Canada, the National Research Council and the Government of Ontario, examined the business support landscape in Ontario and identified areas for collaboration and next steps in engaging with key federal and provincial partners to enhance partnerships and advance economic priorities.

Priority	Type	Strategic Outcome and Program
Continuing to Strengthen our Internal Support Services	**New**	**Strategic Outcome:** A competitive southern Ontario economy **Internal Services**

Summary of Progress

- In an effort to make performance assessments more consistent and to better identify current and future business requirements, FedDev Ontario implemented the new standardized Performance Management Program in 2014–15, as developed by the Treasury Board Secretariat. The tool allows for greater comparability and transparency in measuring employee performance and supports stronger organizational development and succession planning efforts.

- In 2014–15, FedDev Ontario also continued to focus on strong financial management as the organization implemented additional proactive measures to allocate and oversee its operating and grants and contributions funds. This included stronger forecasting and more proactive internal reallocation of funding to ensure the strategic use of funds.

- To support more active and efficient records management and improve its internal recordkeeping capacity, FedDev Ontario finalized its implementation of GCDOCS—an internal information management system—and undertook an inventory of all records of business value in advance of FedDev Ontario's move of its headquarters in 2015–16.

- FedDev Ontario worked in collaboration with the Web Renewal and Web Standards Office of the Treasury Board Secretariat to complete enhancements to its web presence in advance of migration of the Agency's email system to canada.ca.

- The Agency continued to collaborate with other regional development agencies (RDAs) on horizontal matters, to share information and insights and to reduce duplication of effort, with the goal of strengthening their collective position at the federal level through regular meetings of senior officials, including Deputy Heads.

Risk Analysis

Key Risks

The following outlines FedDev Ontario's risk environment for 2014–15 as well as the key remediation activities.

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Human Resources Management – There is a risk that the organization's operational effectiveness will not be maximized due to several human resource challenges such as difficulty recruiting to certain geographic locations; ensuring employees have the relevant skill sets and experience; and the need to strengthen succession planning and talent management.	• FedDev Ontario will actively promote use of short-term staffing options (e.g., student programs, Federal Internship for Newcomers, etc.) to increase temporary capacity and increase candidate pools with federal public service experience, while simultaneously raising awareness of FedDev Ontario locations as workplaces of choice. • FedDev Ontario will regularly assess the training and development needs and priorities for the Agency and its employees, work with service providers, particularly the Canada School of Public Service, to develop and provide training and development tools that address organizational learning priorities, and formalize talent management and succession planning discussions.	1.1 Technological Innovation 1.2 Business Development 1.3 Community Economic Development 1.4 Internal Services
Information for Decision Making –There is a risk that the current IT infrastructure and systems will not adequately support management's financial and non-financial information needs. This may impact on the quality and timeliness of decision-making and the ability of the organization to access, forecast and manage program funding optimally.	• FedDev Ontario will continue to strengthen collaboration with portfolio partners and service providers for the provision of IT systems services. • FedDev Ontario will work collaboratively with other regional development agencies and the Treasury Board Secretariat to identify common business requirements needed to implement a common case management solution for small departments and agencies. • FedDev Ontario will continue to invest in information management tools and resources and continually refine strategies to improve the collection, storage and use of data in light of new and emerging trends and technologies.	1.1 Technological Innovation 1.2 Business Development 1.3 Community Economic Development 1.4 Internal Services

Improving External Awareness – There is a risk that FedDev Ontario's funding structure and the complexity of its new suite of programs will result in lapsed funding. Overall, FedDev Ontario needs to continue to demonstrate achievement of outcomes and to differentiate itself from the many provincial and federal players providing funding for economic development.	• FedDev Ontario is committed to continuous improvement of its performance measurement tool and of its application and approvals processes. Regular updates are provided to central agencies on the status of programs and applications, while leveraging lessons learned to make recommendations on program expenditures. • FedDev Ontario will continue to work with other players at the regional, provincial and federal levels to continually evaluate its role in the economic development spectrum, to increase awareness of its activities and to develop messaging to differentiate FedDev Ontario, while collaborating on initiatives of shared interest. • FedDev Ontario will implement more robust information collection to better demonstrate the results and impacts of its programming, projects and collaborations on the southern Ontario economy.	1.1 Technological Innovation 1.2 Business Development 1.3 Community Economic Development

Actual Expenditures

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	Difference (actual minus planned)
206,764,115	206,764,115	208,040,467	104,103,143	(102,660,972)

Human Resources (Full-Time Equivalents [FTEs])

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
227	225	(2)

Budgetary Performance Summary for Strategic Outcome and Programs (dollars)

Strategic Outcome, Programs and Internal Services	2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2013–14 Actual Spending (authorities used)	2012–13 Actual Spending (authorities used)
Strategic Outcome: A Competitive Southern Ontario Economy								
1.1 Technological Innovation	79,171,993	79,171,993	91,786,705	91,554,741	78,926,662	9,296,340	56,430,801	56,576,259
1.2 Business Development	77,643,433	77,643,433	66,123,559	68,971,973	76,917,862	49,467,300	87,659,299	131,523,159
1.3 Community Economic Development	34,102,802	34,102,802	41,264,851	44,238,076	34,132,517	27,689,452	71,120,480	34,609,151
Subtotal	**190,918,228**	**190,918,228**	**199,175,115**	**204,764,790**	**189,977,041**	**86,455,092**	**215,210,580**	**222,708,569**
Internal Services Subtotal	15,845,887	15,845,887	16,076,604	16,010,353	18,063,426	17,648,051	19,069,825	19,012,398
Total	**206,764,115**	**206,764,115**	**215,251,719**	**220,775,143**	**208,040,467**	**104,103,143**	**234,280,405**	**241,720,967**

FedDev Ontario's new suite of programming took effect in 2014–15 with a goal of investing in projects that would have a strategic and long-term impact on the southern Ontario economy.

Overall, FedDev Ontario's actual spending in 2014–15 was lower compared to both the 2014–15 available authorities and the Agency's spending levels from the two previous fiscal years. These results can be attributed to a variety of factors. First, FedDev Ontario's five-year mandate and flat-line annual budget establishes equal year-over-year spending expectations that are not necessarily reflective of the lifecycle of the types of transformative, multi-year projects funded by the Agency. Second, project proponents take time to understand new programming and its benefits, adding extra time to develop project applications. Third, after applications are received, it takes time for assessment, due diligence and the signing of contribution agreements that clearly outline terms and conditions of federal funding. And, finally, many of FedDev Ontario's projects are multi-year in nature and historical trends have shown that a majority of costs for these types of projects are typically incurred after the first year. As a result, lower amounts of eligible project costs were incurred before the end of 2014–15, leading to lower than forecast Agency expenditures. It is of note that in FedDev Ontario's first five-year mandate, lapsed funding was largest in the early years and decreased in each subsequent year as projects progressed and achieved results.

FedDev Ontario's expenditures in 2014–15 were directed primarily to the delivery of its core transfer payment (grants and contributions) programming, more specifically, $49.7 million was expended under the Southern Ontario Prosperity Initiatives (SOPI) and $3.0 million under the Advanced Manufacturing Fund (AMF).

For FedDev Ontario's remaining programs, $9.6 million for the Eastern Ontario Development Program (EODP) was delivered, as well as $0.8 million in transfer payments to recipients through the renewed Economic Development Initiative (EDI) and $11.3 million for the ongoing Community Futures Program (CFP). In total, FedDev Ontario provided $74.4 million in transfer payments through these five programs in 2014–15, which required $29.7 million in operating expenditures, for total spending of $104.1 million.

Recognizing that FedDev Ontario would be challenged to expend its full transfer payment budget in its first year of its renewed five-year mandate, the Agency was able to successfully reallocate a portion of its unspent funding through AMF and the Massey Hall Revitalization Project to future years. This increased future funding is reflected in the above planned spending figures for 2015–16 and 2016–17, and will enable FedDev Ontario to maximize the impact that its suite of programming will have on the southern Ontario economy.

Alignment of Spending With the Whole-of-Government Framework

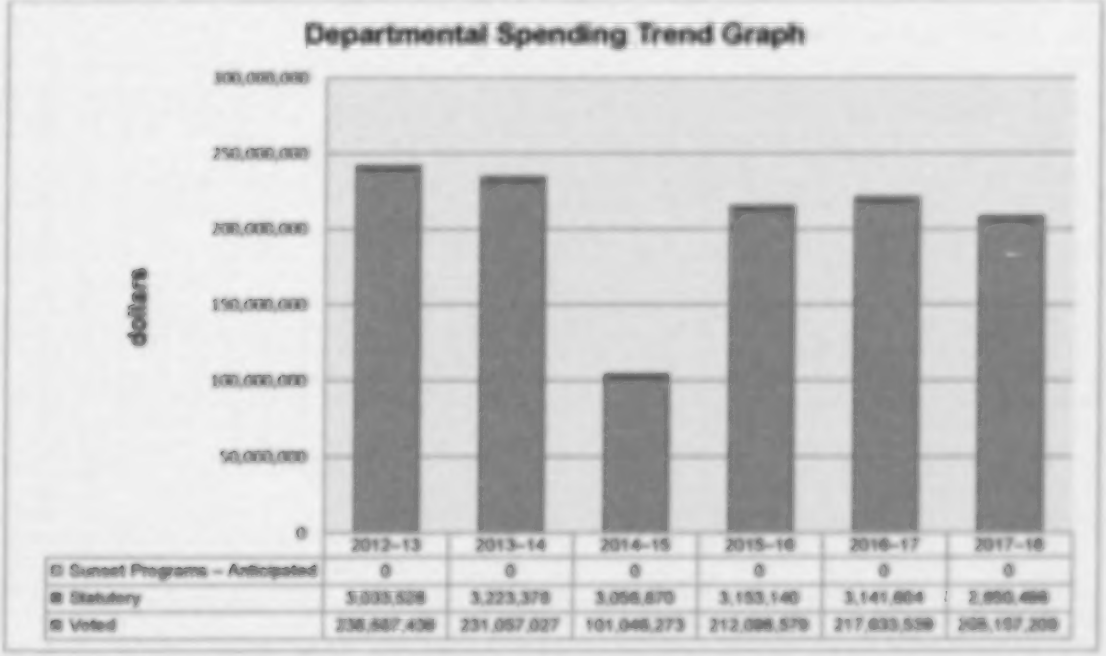
Alignment of 2014–15 Actual Spending With the Whole-of-Government Framework[a] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2014–15 Actual Spending
A Competitive Southern Ontario Economy	Technological Innovation	Economic Affairs	An innovative and knowledge-based economy	9,298,340
	Business Development	Economic Affairs	Strong economic growth	49,467,300
	Community Economic Development	Economic Affairs	Strong economic growth	27,689,452

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic affairs	190,918,228	86,455,092

Departmental Spending Trend



The graph above represents FedDev Ontario's historical spending trend from 2012–13 to 2014–15, along with planned spending for 2015–16 to 2017–18. As previously noted, 2014–15 marked the first year of FedDev Ontario's second five-year mandate and as such, actual spending was impacted by the launch of a new suite of programming. Another significant budgetary impact from 2013–14 to 2014–15 was the conclusion of the Community Infrastructure Improvement Fund, which provided a total budget increase of $49.6 million to FedDev Ontario across 2012–13 and 2013–14.

Planned spending in 2015–16 and beyond reflects the reallocation of $40.2 million in unspent 2014–15 funding from AMF and a portion of SOPI related to the Massey Hall Revitalization project. Fiscal year 2016–17 also includes an additional $9.6 million to support the Brantford Greenwich-Mohawk Brownfield Remediation project.

Expenditures by Vote

For information on FedDev Ontario's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2015*,[iii] which is available on the Public Works and Government Services Canada website.[iv]

Section II: Analysis of Programs by Strategic Outcome

This section outlines how FedDev Ontario's programs and services support its mandate and strategic outcome.

Strategic Outcome: A Competitive Southern Ontario Economy

FedDev Ontario launched a new suite of programming in 2014–15, which represented the first year of its second five-year mandate. FedDev Ontario maintained its focus on capitalizing on the region's assets, including a well-educated and diverse population, an excellent network of higher learning institutions, a business-friendly environment, a vibrant small business community, key knowledge-based clusters, and close proximity and access to the U.S. and international markets.

FedDev Ontario continued its work to build upon these assets to improve the competitiveness of the southern Ontario economy in 2014–15 through four program areas: Technological Innovation; Business Development; Community Economic Development; and Internal Services. Through these areas, the Agency delivered its key programs, initiatives and services to individuals, businesses, communities and other key stakeholders across southern Ontario, and strengthened its profile as a valuable partner in economic development.

Program 1.1: Technological Innovation

Description

This program area supports the southern Ontario economy to be more innovative by supporting the creation of new products, services, processes and markets so as to contribute to the region's competitiveness objectives. This is achieved by: encouraging the region's labour force to be more innovative; focusing on key emerging sectors; and strengthening linkages between the region's businesses, especially small- and medium-sized enterprises (SMEs) and post-secondary institutions. These are important elements necessary for improving the region's productivity, accelerating economic growth and maintaining and enhancing the region's living standards in the context of a global knowledge-based economy. Transfer payments in support of this program area are made through the administration of contribution agreements under the Investing in Commercialization Partnerships (ICP) initiative, an initiative under the Southern Ontario Prosperity Initiatives (SOPI), and the Advanced Manufacturing Fund (AMF).

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
79,171,993	79,171,993	78,926,682	9,298,340	(69,873,653)

Human Resources (Full-Time Equivalents (FTEs))

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
22	16	(6)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Southern Ontario businesses are working in partnership to invest in research and new technologies	Number of people in the labour force in southern Ontario that are considered "highly qualified personnel"[1, 2]	2,269,200 people	2,215,100 people
	Share of Ontario's employment in Knowledge-Intensive Business Services (KIBS)[3]	6.1%	6.2%

Performance Analysis and Lessons Learned

FedDev Ontario's activities and investments through the Technological Innovation program were encouraged the strengthening of emerging clusters in the manufacturing sector and the creation of new products and services contributing to the region's competitiveness. Programming focused on key emerging sectors such as advanced manufacturing, big data and health technologies, and aimed to strengthen linkages between the region's businesses, post-secondary institutions and research institutes.

FedDev Ontario has noted a strong interest in its programming from the region's businesses, post-secondary institutions and research institutes. This demonstrates that the region's innovation

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1 Data for this indicator is based on nine economic regions identified by Statistics Canada that make up southern Ontario. These regions align with 37 census divisions identified as part of the Agency's mandate, except that the census division of Muskoka is included in one of the nine economic regions.

2 *Highly-skilled personnel* are defined by Statistics Canada as "individuals with university degrees at the bachelors'[sic] level and above." (Michael McKenzie, "A Profile of Canada's Highly Qualified People," *Innovation Analysis Bulletin*, 9, 2 [October 9, 2007], 29 - 32).

3 The KIBS subsector includes establishments whose primary activities depend on human capital, knowledge, and skills. The KIBS final product is a consulting service and knowledge transfer. Other than being intensive, these services are intermediary (i.e., services included for business).

ecosystem is strong, which has the potential to strengthen emerging clusters, accelerate the commercialization of innovative technologies, products and services and increase opportunities for highly-qualified personnel.

This strong interest in FedDev Ontario's programming resulted in the approval and initiation of some significant projects under this program area. However, as detailed in Section I of this document, FedDev Ontario was not able to reach its planned spending target. As a result, the Agency is reporting $9.3 million in expenditures for a variance of $69.9 million. Given the complex, multi-year nature of projects supported under AMF, the reallocation of $34 million in funds for AMF to future years better aligns with the anticipated project delivery costs.

All investments under Technological Innovation were under sub-program 1.1.3 – Technology Development and Commercialization. For sub-programs 1.1.1 – Science, Technology, Engineering and Mathematics Awareness and 1.1.2 – Skills Development, FedDev Ontario worked to close-out projects from its previous five-year mandate. No new projects were funded under these sub-programs as the Agency's programming suite shifted away from these subject areas to areas where FedDev Ontario could have a greater impact.

Sub-Program 1.1.3: Technology Development and Commercialization

Description

This sub-program provides non-repayable and repayable contributions to not-for-profit organizations, businesses (particularly those in the manufacturing sector) and/or post-secondary institutions to help support the commercialization of new products and spur innovation. This is achieved through funding collaborative ventures, which bring together and leverage the skill sets of various economic players to bring innovative ideas to market. This sub-program is key, given one of the main challenges facing the southern Ontario economy has been that many innovations are never commercialized. As a result, there is a real need to encourage collaboration so that post-secondary institutions, businesses (especially SMEs) and not-for-profit corporations can leverage their knowledge and skills to bring innovations to market faster and help the southern Ontario and Canadian economies become more globally competitive.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2014-15 Actual Spending	2014-15 Difference (actual minus planned)
77,708,444	8,368,558	(69,340,446)

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	2014-15 Difference (actual minus planned)
15	16	1[illegible]

Performance Results

Expected Results	Performance Indicators	Targets[2]	Actual Results
Southern Ontario businesses are able to bring innovative ideas to market	Ratio of collaborations leveraged per project[3]	4:1	1.2:1
	Percentage of project costs directed to R&D	100%	52%

Performance Analysis and Lessons Learned

This sub-program includes the ICP initiative and AMP, through which FedDev Ontario is working to advance the development of cutting-edge technologies. During 2014-15, these initiatives focused on supporting the commercialization of new products and services, encouraging innovation and accelerating commercialization through increased collaboration between businesses, post-secondary institutions and research institutes.

Interest in ICP and AMP has been strong relative to the amount of funding available. This high demand illustrates that Ontario firms are striving to bring innovative products to market and FedDev Ontario is playing a key role through strategic investments and partnerships. Many of these projects are large in scope and complex and, as a result, required more time for negotiation and due diligence in the initial stages. This contributed to spending in 2014-15 that was lower than planned, particularly for AMP. FedDev Ontario successfully reallocated $34 million of the 2014-15 AMP program budget to future years to better align with the projected expenditure profile for such projects.

Under ICP, more than $48 million in multi-year contributions were approved in 2014-15, including support to projects led by the University of Toronto, Fanshawe College of Applied Arts and Technology and Sunnybrook Research Institute. For example, the University of Toronto, on behalf of the Southern Ontario Smart Computing Innovation Platform (SOSCIP) consortium, received $20 million in multi-year funding to increase access by firms and SMEs to advanced computing and big data analytics tools and systems. SOSCIP will develop new

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2 Targets reflect the anticipated performance over the lifespan of the initiatives under this sub-program. Actual results for 2014-15 reflect incremental progress towards those targets.

3 Each collaboration leverages significant additional private sector investments to contribute to the advancement of innovative ideas to market.

collaborative projects that will ultimately bring new products and services to market. This project will enable the use of these tools and systems in the mining, advanced manufacturing, digital media and cybersecurity sectors; support the growth of the information and communication technology sector in southern Ontario; and promote awareness of the value of advanced computing and big data analytics for SMEs.

In 2016-17, FedDev Ontario also worked with industry representatives, post-secondary institutions and research institutes to encourage applications to ANIF. More than $27 million in multi-year contributions were approved for projects led by Baylis Medical Company Inc. Mississauga and Fibrecast Limited in Anjou, Quebec. These projects are expected to lead to the development of transformative products and first-in-Canada technologies to help Ontario manufacturers create high-quality, highly skilled jobs and compete globally. Fibrecast, for example, is manufacturing innovative water filtration technology that will provide both economic and environmental benefits for southern Ontario.

With respect to FedDev Ontario's performance under this sub-program, the 2016-17 results show the collaborations and project investments in research and development reflect incremental progress towards the ultimate targets over the five-year lifespan of ANIF and IEF, which are still expected to be met.

Program 1.2: Business Development

Description

This program supports the 340,000 businesses (especially SMEs) in southern Ontario in their efforts to drive competitiveness by providing funding for the creation of start-up companies, helping existing businesses expand and helping companies improve their productivity domestically and globally. Transfer payments in support of this program are made through the administration of contribution agreements with businesses and not-for-profit organizations through a variety of initiatives under SIDP, including the Investing in Business Innovation (IBI) initiative, the Investing in Business Growth and Productivity (IBGP) initiative and the Investing in Regional Diversification (IRD) initiative.

As part of its convening and championing role, activities under this program include FedDev Ontario's Industrial Technology Benefits (ITB) team, which provides support to the southern Ontario aerospace and defence sector, and Canada Business Ontario (CBO), which is part of the Canada Business Network and is a source for information on government services for business.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
77,643,433	77,643,433	76,917,862	49,467,300	(28,176,133)

Human Resources (Full-Time Equivalents [FTEs])

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
57	58	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Southern Ontario businesses are able to respond to future economic challenges	Private investment in machinery and equipment in Ontario	To support businesses to meet or exceed their 2014 investment intentions[10]	Comparable figure not available[11]
	Ontario's Labour Productivity (real gross domestic product per hour)	$44.78	$44.60[12]

Performance Analysis and Lessons Learned

In 2014–15, FedDev Ontario invested $49.5 million under the Business Development program and its related sub-programs. This included contributions to projects through IBI, IBGP and IRD initiatives under the SOPI. These investments addressed critical issues including access to capital, supporting new technologies and improving productivity to help businesses grow and succeed in the global market. The Business Development program also focused on continuing to strengthen connections between southern Ontario businesses and key stakeholders (i.e., angel/venture capital investors/networks, not-for-profit organizations) within Canada and abroad to facilitate the type of growth and development that would position them to better integrate into global value chains.

[10] Statistics Canada 2014 intention figures were released February 26, 2014.

[11] Statistics Canada data series (Cansim Table 032-0002) used to calculate this target has been terminated. The replacement data (Cansim Table 029-0048) are not fully comparable with those previously published.

[12] Statistics Canada data series (Cansim Table 383-0029) used to calculate this target has been revised back to 2007 and the replacement data are not fully comparable with those previously published.

FedDev Ontario continues to experience strong uptake for this program area and its related sub-programs due in large part to its well-established networks across southern Ontario and ability to engage quickly with key stakeholders to deliver on its suite of programs.

Sub-Program 1.2.1: Business Investment

Description

This sub-program is necessary because one of the largest challenges to the southern Ontario economy is the lack of access to capital by start-ups to help commercialize their ideas, particularly since the economic downturn. Access to capital is necessary for southern Ontario businesses to remain competitive, to be leaders in the knowledge-based economy and for the overall economic prosperity of the region. The IBI initiative provides non-repayable contributions to not-for-profit organizations offering mentorship and entrepreneurial support, and seed financing to help new businesses grow and succeed. IBI also provides funding to angel investor networks to encourage increased investment in new businesses. Repayable contributions are also provided to start-up businesses to accelerate the commercialization of new products, processes and practices by leveraging private sector investment.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
20,955,466	13,788,948	(7,166,518)

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
6	8	2

Performance Results

Expected Results	Performance Indicators	Targets[13]	Actual Results
Southern Ontario entrepreneurs have access to capital to help commercialize new products, processes, or systems	Number of new (i.e., start-up) businesses accessing capital	250	145
	Total value of new investments attracted to Angel Networks	$5M per angel network project	$2.3M per angel network project
	Dollars leveraged against FedDev Ontario contribution	2:1 ratio for direct recipients; 0.75:1 third-party recipients	6.20:1 for direct recipients; 6.58:1 for third-party recipients

Performance Analysis and Lessons Learned

The Business Investment sub-program is comprised of IBI. During 2014–15, this sub-program focused on helping new businesses develop products and services; strengthening angel networks and increasing the availability of investment capital; and supporting entrepreneurship by helping new businesses grow and succeed through strategic investments in start-up businesses.

Through IBI, FedDev Ontario funding has helped a total of 145 new and early-stage enterprises in southern Ontario access capital in 2014–15. This is comprised of 34 early-stage companies that leveraged domestic and foreign angel and venture capital to support the development of innovative technologies and products. Additionally, FedDev Ontario supported three not-for-profit organizations that provided skills development, education and seed financing to a further 111 new entrepreneurs, helping them become investment ready. An additional 15 southern Ontario angel investor networks received contributions to expand their membership base, thereby increasing the number and size of the pools of investment capital potentially available to high-growth firms.

One project approved through IBI was for Memex Automation of Burlington, Ontario. The company will use the FedDev Ontario contribution to commercialize the latest version of its MERLIN (Manufacturing Execution Real-time Lean Information Network) product that helps manufacturers measure the efficiency of their production capacity.

IBI's ability to reach 145 new and early-stage enterprises represents considerable progress against the target of 250 businesses, expected to be reached by the end of the initiative in March 2019. In terms of leveraged funding, FedDev Ontario's 34 direct recipients and 111 third-party recipients have leveraged $6.20 and $6.58, respectively, for every dollar invested by the Agency. While these one-year results are significantly higher than the final target at the end of 2018–19, this is largely due to a significant amount of external investment having already been received by

[13] Targets reflect the anticipated performance over the lifespan of the initiatives under this sub-program. Actual results for 2014–15 reflect incremental progress towards these targets.

recipients, as well as several projects having attracted greater external investment than required. As projects are completed and the initiative concludes in March 2019, these results are expected to be closer to the targets identified above.

FedDev Ontario investments in southern Ontario angel networks have resulted in the attraction of an average of $2.3 million in investments per network to date, suggesting the networks are on track to meet the target of $5 million in new investments by the target date of March 2019. In addition, FedDev Ontario support to the National Angel Capital Organization (NACO) and the National Angel Network Research and Innovation Program has contributed to $82.8 million in new investments in 2014–15.

While IBI has received good uptake from key communities that contain active innovation ecosystems, as well as a large volume of applications in the information and communications technology sector, there remains an opportunity to expand the initiative's reach in southern Ontario, beyond major urban centres. FedDev Ontario intends to expand its future outreach with the goal of ensuring that information about the support available through IBI reaches a broader range of potential applicants.

Sub-Program 1.2.2: Business Productivity and Innovation

Description

This sub-program provides repayable and non-repayable contributions to for-profit and not-for-profit corporations to help improve productivity of individual businesses, industry sectors, sub-regional economies and economic clusters so that southern Ontario can be more competitive. This sub-program is necessary as a number of studies have indicated that Ontario's productivity lags behind its U.S. counterparts. As a result, southern Ontario firms need to increase productivity to remain competitive in the global economy.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
55,261,235	34,241,771	(21,019,464)

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
38	33	(5)

Performance Results

Expected Results	Performance Indicators	Targets[14]	Actual Results
Southern Ontario businesses have enhanced capacity to support innovation, leading to improved productivity	Number of projects receiving FDO support	50	26[15]
	Ratio of dollars leveraged against FDO contributions	1.8:1	4.20:1

Performance Analysis and Lessons Learned

This sub-program is supported by two initiatives: IBGP and IRD. Together these initiatives directly supported 29 projects in 2014–15 (including those extended from the Agency's first five-year mandate) with 22 under IBGP and seven under IRD.[16] Through IBGP, an additional 55 southern Ontario businesses received support through third-party delivery agreements with the Canadian Manufacturers & Exporters' SMART Advanced Technologies for Global Growth program and the Yves Laundry Foundation's AIME Global initiative.

IBGP makes direct and indirect investments in southern Ontario SMEs to support market expansion and diversification, improved productivity and integration into global value chains.

Uptake of this initiative has been strong both from direct recipients and through ultimate recipients benefitting from third-party delivery agents. During 2014–15, IBGP processed a large number of applications and approved 16 new projects, receiving more than $73 million in multi-year repayable contributions. These investments have been made in traditional and emerging industry sectors, representing all geographic regions across southern Ontario. For example, IBGP supported Interactive Voices Inc., located in London, Ontario, which is an industry leader as an online marketplace matching voice actors with voice acting contracts for global radio, television and other media opportunities. IBGP also invested in Mariposa Dairy Ltd, an international award-winning goat and sheep cheese producer located in Lindsay, Ontario. This funding allowed the company to significantly increase production capacity, positioning Mariposa to enhance its competitiveness in global markets and pursue growth through export opportunities. The majority of IBGP projects have enabled companies to expand their manufacturing facilities

[14] Targets reflect the anticipated performance over the lifespan of the initiatives under this sub-program. Actual results for 2014–15 reflect incremental progress towards these targets.

[15] While a total of 29 projects received support under this sub-program, 26 of these projects actually provided performance data, including funds leveraged against FedDev Ontario contributions. Two projects extended from FedDev Ontario's Southern Ontario Advantage Initiatives also received support under the sub-program, but continued to report performance data under the Southern Ontario Advantage Initiatives. One additional project was approved for funding late in the 2014–15 fiscal year, but had no expenditures within the year.

[16] These totals include projects that were extended from FedDev Ontario's Southern Ontario Advantage Initiatives under its previous five-year mandate. In 2014–15, IBGP supported six extended projects and IRD supported three extended projects.

and capabilities, while almost half are strengthening knowledge-based clusters. All projects are expected to result in recipients' increased capacity to diversify their markets.

In terms of third-party delivery, FedDev Ontario disbursed $29 million in multi-year contributions through its agreements with the Yves Landry Foundation and Canadian Manufacturers & Exporters. These investments have resulted in more than $5 million in leveraged investments in 2014–15. Both organizations have a history of successfully delivering productivity improvement and global competitiveness initiatives to SMEs. These agreements are intended to benefit from the capacity and reach of these organizations to extend IBGP's impact on southern Ontario through smaller scale investments.

Through the IRD initiative, FedDev Ontario supports southern Ontario communities in leveraging their regional advantages and unique assets to support economic diversification or the transition to new industries or sectors. In 2014–15, more than $11 million in non-repayable contributions were approved toward four new IRD projects. These projects aim to enhance business attraction; strengthen regional businesses and clusters; support collaborative efforts to improve competiveness; and advance the economic circumstances of communities facing distress.

To better support targeted regions or sector areas and have a larger impact in distressed communities, third-party delivery agreements were executed through IRD with the Western Ontario Community Futures Development Corporation Association (WOCFDCA) and the Prince Edward/Lennox & Addington Community Futures Development Corporation (PELA CFDC). These organizations will leverage their extensive delivery networks to assist the increasing number of SMEs in rural Ontario with business succession planning and transfers.

The importance of a strong anchor organization with a proven track record and the capacity to manage projects is essential to successful projects under the IRD initiative. As IRD progresses, FedDev Ontario will continue to recognize and prepare for the complexity of large collaborations and capacity of partners to address these issues.

2014–15 investments through IBGP and IRD have leveraged a total of $4.20 for every dollar contributed by FedDev Ontario. Similar to results noted under 1.2.1, this leveraging ratio currently exceeds the ultimate five-year target of 1.80:1 for this sub-program. This is likely to reduce over the lifespan of projects as FedDev Ontario investments increase.

To enhance business capacity, FedDev Ontario supplements its direct investments through its role as a champion for southern Ontario, especially in its promotion of ITB activities and work through CBO. Through its ITB activities, FedDev Ontario helped southern Ontario firms respond to defence-related business opportunities and promoted the capabilities of these companies to

major defence contractors. As a member of the Canada Business Network, CBO was able to provide information on how to start, manage and grow a business to approximately one million individuals across Ontario through its online, contact centre and outreach activities, while continuing to provide services to the National Research Council's Industrial Research Assistance Program and Concierge Service across all of Canada.

Program 1.3: Community Economic Development

Description

This program supports the 288 communities (small, large, rural, urban, Francophone and Indigenous) in southern Ontario that are home to more than 12.8 million residents. These communities play a key role in enhancing southern Ontario's economic competitiveness and the long-term prosperity of the region. Southern Ontario depends on communities that can attract the best talent and compete for investment as dynamic centres of commerce and learning, and in turn, strong communities contribute to a vibrant and prosperous southern Ontario. Through this program, FedDev Ontario supports communities and regions throughout southern Ontario to identify local solutions to local challenges and opportunities. Strong, safe and modern communities are essential building blocks for the region's competitiveness and long-term prosperity. FedDev Ontario continues to work with others, including Infrastructure Canada, the Government of Ontario and communities to support infrastructure needs within southern Ontario.

Transfer payments in support of this program are made through a variety of initiatives under the authority of the Community Futures Program (CFP), the Economic Development Initiative (EDI), the Eastern Ontario Development Program (EODP) and infrastructure programming like the Building Canada Fund. FedDev Ontario supports this program through the administration of contribution agreements with businesses, not-for-profit organizations, post-secondary institutions and municipalities.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
34,102,802	34,102,802	34,132,517	27,689,452	(6,413,350)

Human Resources (Full-Time Equivalents [FTEs])

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
39	35	(4)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Southern Ontario communities have strong economies able to sustain long-term economic development and growth	Percentage of southern Ontario census sub-divisions (CSDs) with a decrease in employment insurance beneficiaries (year-over-year)	50% or more of southern Ontario CSDs have a decrease in employment insurance beneficiaries (year-over-year)	66% of southern Ontario CSDs had a decrease in employment insurance beneficiaries

Performance Analysis and Lessons Learned

2014–15 was an active year for the Community Economic Development Program and related activities and transfer payment programs within its four sub-programs: CFP, EODP, Official Language Minority Communities (supported by EDI) and Infrastructure Delivery. While CFP is ongoing, EODP and EDI were successfully re-launched in 2014–15 and 2013–14, respectively, with revised program guidelines focused on business and community economic initiatives.

FedDev Ontario continued to work collaboratively with a variety of regional partners (i.e., CFDCs, economic development organizations, not-for-profit organizations, various levels of government and businesses) to support the development, diversification and long-term competitiveness of southern Ontario communities. Targeted strategic investments in business and community economic development projects are providing sustainable benefits to southern Ontario communities, including creating and protecting jobs in southern Ontario communities.

In 2014–15, FedDev Ontario demonstrated its ongoing commitment to supporting economic development and growth in southern Ontario communities through the delivery of its infrastructure programs. By strengthening collaborative partnerships with key stakeholders, such as Infrastructure Canada and municipal governments, FedDev Ontario was able to invest nearly $3.0 million for infrastructure delivery, which helped fund and/or administer 262 projects in 2014–15. Of these projects, 191 were administered and completed in 2014–15. These investments support a prosperous economy for Ontario and Canada by attracting highly-skilled workers, new businesses and investors. They also support innovation in various industries, particularly the construction sector.

Sub-Program 1.3.1: Community Futures Program

Description

CFP is a national program that provides funding to CFDCs so that they can help rural communities develop their local economy and long-term sustainability. CFDCs generally focus on four business lines: business loans; business counselling; strategic community planning and priorities; and community economic development projects. Rural southern Ontario continues to face persistent challenges, including limited sources of capital for SMEs, consistently lower economic performance, a declining number of available jobs, an aging workforce and youth out-migration. Research has indicated that a region's prosperity is intricately linked to the economic well-being of rural communities.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
12,434,824	11,919,860	(514,964)

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
7	6	(1)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Rural communities in southern Ontario have strong economies to help respond to future economic challenges	Number of businesses in rural southern Ontario that have been created, maintained, or expanded as a result of CFP funding	4,200	5,629
	Number of jobs created or maintained in rural southern Ontario communities as a result of CFP funding	8,800	15,421
	Ratio of funds raised from other sources to CFP investments	3.6:1	3.8:1

Performance Analysis and Lessons Learned

In 2014–15, the results of FedDev Ontario's 2013–14 CFP evaluation were released and concluded that there was a strong need for the CFP in southern Ontario. Five recommendations were identified to improve the program: enhancements to partnerships; streamlining of performance measurement and reporting; further support for Community Economic

Development projects; the clarification of roles and responsibilities; and strengthening of communications.

As part of the response to this evaluation, in 2014–15 FedDev Ontario worked collaboratively with the southern Ontario CFDCs by convening a working group with representation from the two regional CFDC networks. This working group identified and recommended improvements to the CFP, including streamlining program reporting and beginning a preliminary assessment of the performance-based funding model.[17]

Encouraging partnerships between CFDCs and their respective communities was also a focus in 2014–15. Nine CFDCs worked with CBO to deliver eight "Business, Government Services and You" events across southern Ontario. The Venture Niagara CFDC undertook a successful pilot project with the Small Business Enterprise Centre in St. Catharine's, Ontario, to facilitate and coordinate business services to small- and medium-sized enterprises in adjacent urban centres. FedDev Ontario also provided funding to nine projects to enhance the capacity of CFDCs and their communities, for example, through funding LEAN Six Sigma training for CFDCs, research on Indigenous access to capital needs in eastern Ontario, and the pursuit of a local economic development pilot, the Niagara Cycling Tourism Centre.

It should be noted that FedDev Ontario's $11.3-million investment in 2014–15 through the CFP is separate from the loan funds overseen by CFDCs and is used to fund the operational costs of CFDCs and their networks. In 2014–15, CFDCs provided 726 new loans with a value of $43.1 million to small- and medium-sized enterprises in the region. Through business loans and business counselling services, 5,629 businesses were assisted, 4,912 jobs were created and 10,509 jobs were maintained in rural southern Ontario communities—well above the targets set at the beginning of the year. The program leveraged approximately $3.80 for every dollar of FedDev Ontario contribution funding as compared to the $3.60 targeted. As of March 31, 2015, these CFDCs had a total of 2,844 loans with small- and medium-sized enterprises with an outstanding value of $160 million.

Sub-Program 1.3.2: Eastern Ontario Development Program

Description

This sub-program aims to promote socio-economic development in rural eastern Ontario leading to a competitive and diversified regional economy and sustainable, self-reliant communities. EODP non-repayable contributions are available through 15 eastern CFDCs and the Eastern

[17] The performance-based funding model provides CFDCs with incentives to maximize their operational effectiveness and improve performance and results under their agreements with recipients.

Ontario Community Futures Development Corporation (EOCFDC) Network to support projects in two key areas: business development and community innovation.

The economic challenges facing rural eastern Ontario have been exacerbated in recent years as a result of the global recession and the pressures facing the manufacturing sector. Facing new economic realities, the region is continuing to undergo adjustments, restructuring and related challenges. Eastern Ontario's relatively large rural working-age population is characterized by a higher share of older workers, and the region's youth are leaving the area for other opportunities. Furthermore, the economic hardship felt by workers, families and communities in this region is reflected in relatively lower wages and household incomes, lower labour force participation and a higher proportion of people receiving employment insurance benefits when compared to Ontario overall.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
10,071,520	9,892,270	(179,250)

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
4	3	(1)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Eastern Ontario communities have strong economies able to respond to future economic challenges	Number of businesses and organizations supported in eastern Ontario communities participating in EODP	6,180[19]	649
	Number of FTEs created and maintained in eastern Ontario communities participating in EODP	3,000[19]	3,914
	Ratio of funds raised from other sources to federal EODP investments	1:1	1:4.4[20]

Performance Analysis and Lessons Learned

An extension of EODP was introduced through Budget 2013 and allocated $48 million from 2014–15 to 2018–19 to support economic activities in Eastern Ontario. This multi-year renewal allowed FedDev Ontario (through local CFDCs) to commit funding to projects over multiple years and focus on strategic investments reflecting local economic development priorities for business growth and economic diversification. The requirement to invest in projects that have 50 percent in matching funds has also supported fewer, more strategic investments in projects that will improve the long-term sustainability and economic outcomes of the projects.

During 2014–15, EODP supported 649 businesses and organizations in eastern Ontario, progressing toward its target of more than 6,000 businesses supported by March 2019. This support helped to create or maintain more than 3,914 jobs in the region, far exceeding the target of 3,000 jobs by March 2019. It resulted in an additional investment of $3.44 for every dollar invested by FedDev Ontario in 2014–15, exceeding the 1:1 target for the year.

In 2014–15, the EOCFDC Network launched the two-year Collaborative Economic Development Projects stream. These regional investments will benefit multiple communities and promote broad-based collaborative economic development leading to a competitive and diversified economy, while contributing to the successful development of businesses, job opportunities and prosperous communities. As of March 31, 2014, the Network supported nine projects focused on manufacturing, business counselling, entrepreneurship development, agri-food and tourism with impacts throughout Eastern Ontario. These projects also yield strong

[19] Target reflects the anticipated performance of all projects over the lifespan of EODP. Actual results for 2014–15 reflect incremental progress towards this target.

[20] Target reflects the anticipated performance of all projects over the lifespan of EODP. Actual results for 2014–15 reflect incremental progress towards this target.

[21] The leverage target of 1:1 was considered a minimum; the result achieved of $3.44 reflects a significant increase in business development projects with for-profit organizations.

leveraged funding from multiple sources that will generate long-term economic impacts across eastern Ontario.

Sub-Program 1.3.3: Official Language Minority Communities

Description

This sub-program includes a national program, EDI, which provides funding to Francophone and bilingual organizations to help create jobs and sustainable growth in Francophone communities. EDI focuses on providing funding for community strategic planning initiatives and business and economic development initiatives. This sub-program is necessary to ensure the long-term economic growth and sustainability of Official Language Minority Communities (OLMC's) in southern Ontario. It is also part of the Government of Canada's *Roadmap for Canada's Official Languages 2013–2018*.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2014-15 Actual Spending	2014-15 Difference (actual minus planned)
1,014,066	1,046,573	(27,477)

Human Resources (FTEs)

2014-15 Planned	2014-15 Actual	2014-15 Difference (actual minus planned)
1	2	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
OLMCs have access to economic opportunities to help build strong communities	Number of projects funded under EDI	5	5
	Number of partnerships established as a result of EDI funding	5	5
	Dollar value leveraged as a result of EDI funding	$575,000	$582,000

Performance Analysis and Lessons Learned

With the re-launch of EDI in February 2014, the major focus in 2014-15 was outreach activities with OLMC's in southern Ontario to encourage the development of projects for the new round of program funding. As a result of these activities, FedDev Ontario approved five multi-year EDI projects in 2014-15, for total funding of almost $3.7 million. These projects are improving access to business and entrepreneurship services and training, increasing access to capital and

supporting applied research partnerships for new and existing Francophone entrepreneurs. For example, funding for La Cité collégiale was announced by FedDev Ontario for a project to develop online training modules to support Francophone businesses in the development of business management and entrepreneurial skills, and support the development of new products through applied research partnerships with businesses and community organizations. Through these activities, La Cité will improve the economic base and competitiveness of Francophone businesses and communities, increase the number of new Francophone businesses in southern Ontario and better enable entrepreneurs to succeed.

In addition, in March 2015, FedDev Ontario announced funding for l' Assemblée de la francophonie de l'Ontario. This funding will be used to create a youth internship program across southwestern Ontario supporting the employment of Francophone youth, enabling them to gain valuable work experience, while providing SMEs and Francophone community organizations access to educated skilled workers.

As several projects were approved in the fourth quarter of 2014-15, recipients were not in a position to undertake significant activities and leverage additional funding. As a result, the target for dollars leveraged was not fully achieved this fiscal year. It is anticipated that this indicator will be met in the next fiscal year.

Sub-Program 1.3.4: Infrastructure Delivery

Description

This sub-program includes the delivery of funding on behalf of other government departments and/or in partnership with other orders of government to provide assistance to not-for-profit, private and public sector entities for a range of infrastructure priority areas. This sub-program includes infrastructure investments that help support a prosperous economy for Ontario and Canada by maintaining and continuing to attract highly skilled workers, businesses, and investors.

Over the years, FedDev Ontario has been asked to deliver numerous national infrastructure programs and to work with partners to address the infrastructure needs of the region. While a large number of initiatives introduced under Budget 2009 have successfully concluded, some of the longer-term initiatives continue to provide funding for ongoing projects across the province.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
9,463,390	2,971,165	(6,492,225)

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
12	10	(2)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Southern Ontario infrastructure is able to support future economic development and growth	Number of infrastructure projects funded and/or administered by the Agency	362	262[21]
	Number of completed infrastructure projects funded and/or administered by the Agency	294	191[22]
	Funds leveraged from other sources through infrastructure programming funded and/ or administered by the Agency	1:1	2.2:1[23]

Performance Analysis and Lessons Learned

In 2014–15, FedDev Ontario demonstrated its ongoing commitment to supporting economic development and growth through improvements to infrastructure in Ontario communities. FedDev Ontario invested nearly $3.0 million under this sub-program to help fund and/or administer 262 projects in 2014–15, while also continuing to strengthen collaborative partnerships with key stakeholders such as Infrastructure Canada and municipal governments.

The Massey Hall Revitalization project was a focus for FedDev Ontario in 2014–15, as it provided an in-year investment of $1.8 million against a planned multi-year total of $8 million. The project aims to make improvements to the theatre, allowing it to operate as a modern, fully-

[21] The number of projects funded and/or administered in 2014–15 was 28 percent lower than targeted due to the close-out of the Community Infrastructure Improvement Fund.

[22] Project completion dates are subject to factors beyond FedDev Ontario's control, including inclement weather and protracted tendering processes. This creates challenges in accurately forecasting targets.

[23] Projects leveraged external funds at ratios ranging from 2:1 to 2.5:1 (depending on the project) for each dollar contributed by FedDev Ontario in 2014–15. Taking this into account, along with the rest of the portfolio of infrastructure programs delivered under this sub-program, $2.20 was leveraged for each dollar invested by FedDev Ontario in 2014–15.

functional performance venue. FedDev Ontario's portion of funding was delayed due to delays in the larger project. As a result, a large portion of the funding that was planned for 2014–15 was reallocated to future years.

The Agency also devoted significant effort and support to the ongoing administration of the Building Canada Fund - Communities Component (BCF-CC) program across the province on behalf of Infrastructure Canada. This program, jointly funded with the Government of Ontario, provided funding for local infrastructure projects in communities with less than 100,000 people and remains active.

FedDev Ontario also continued to monitor the Brantford Greenwich-Mohawk Brownfield Remediation project in 2014–15, which involves an agreement with the City of Brantford to improve the Greenwich-Mohawk Brownfield area. The Agency also undertook administrative close-out activities and reporting requirements in 2014–15 related to the Community Infrastructure Improvement Fund, which ended on March 31, 2014.

In total, FedDev Ontario completed 191 projects in 2014–15, which was slightly less than 2/3 of its targeted number of 294 for the year. This result is reflective of the multi-year nature of infrastructure projects and the unpredictability of progress due to multiple factors that can limit construction months and impede timelines. Projects continued to be monitored closely in 2014–15 for compliance against their respective funding agreements. All efforts were made to ensure projects adhered to estimated timelines as closely as possible.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are Management and Oversight Services (including policy research and development and intergovernmental and stakeholder relations), Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Materiel Services, Acquisition Services, and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided to a specific program.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
15,845,887	15,845,887	18,063,426	17,648,051	1,802,164

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
109	115	6

Performance Analysis and Lessons Learned

FedDev Ontario's internal support functions continued to play a pivotal role in stabilizing the organization and advancing its priorities in 2014–15.

While delivering its transfer payment programs continues to be a top priority for FedDev Ontario, through its management and oversight function the Agency also continued to build on its champion and convener activities to support the region's economic development. Stakeholder engagement and relationship-building have been essential elements in these efforts. FedDev Ontario continued to share intelligence and gather valuable feedback from private and public sector stakeholders to increase the effectiveness and impact of its policy and program decision-making. Strategic research, data collection, analysis and consultation activities were also key inputs for decision-making, for identifying and capitalizing on Ontario's regional strengths and for championing regional interests in Ottawa.

From a financial management perspective, FedDev Ontario made strides to improve its ability to forecast its in-year operating and grants and contributions spending. These efforts contributed to increased grants and contributions budgets (through reprofiling) in 2015–16 and beyond for AMF and the Massey Hall Revitalization project to better align with the business cycle and funding requirements of recipients and partners. From a systems perspective, FedDev Ontario continues to support the Government of Canada's shift to enterprise-wide systems, while also exploring opportunities to upgrade its existing systems. The Agency also continued to strive to improve its client service through the adoption of innovative practices like automated bill payments.

Ensuring effective employee development and performance also continued to be a focus for FedDev Ontario in 2014–15, as it adopted the new standardized Performance Management

Program. A strong and consistent approach to performance management is leading to greater employee engagement, a culture of excellence, opportunities for leadership and a strong workplace and workforce. Implementation of this new Performance Management Program, including talent management plans, served to maximize employee contributions, supported improved employee satisfaction and wellness and contributed to succession planning. As indicated in the Agency's Corporate Risk Profile, human resources management was identified as one of the risk areas for the Agency in 2014–15. To address some of the risks, the Agency took steps to stabilize and strengthen the executive cadre and increased proactive recruitment including student hiring. Additionally, enhanced efforts to recruit to the Agency's locations in Kitchener, Toronto and Peterborough were demonstrated through a best practice whereby candidates in external selection processes were provided an opportunity to learn more about the Agency and federal public service staffing processes through an interactive information session.

The Agency also strengthened its communications activities in 2014–15 to ensure visibility with stakeholders and media in southern Ontario. A total of 174 public events were organized and executed, including stakeholder roundtables, events to profile progress on previously-funded projects, as well as funding announcements for newly-approved projects. A total of nearly $123 million was announced, including $8 million for the Massey Hall Revitalization project, which was outlined in Budget 2013. The Agency's social media presence was also expanded, with the English Twitter account increasing its number of followers by 29.3 percent, and the French Twitter account by 41.8 percent. FedDev Ontario's website experienced 98,830 visits, with an average of 270 visits per day. CBO experienced an 85 percent increase in overall client interactions, rising from 639,328 in 2013–14 to 1,181,104 in 2014–15.

In 2014–15, significant investments were also required under Internal Services to support broader Agency initiatives, including raising awareness of new programs—including AMF throughout all of Ontario—and preparing for the relocation of the Agency's headquarters from Kitchener to Waterloo. While these investments combined to result in higher spending than originally planned for 2014–15, their long-term impacts will contribute to stronger overall organizational operations.

Section III: Supplementary Information

This section presents additional financial details and linkages to supplement FedDev Ontario's activities and results for 2014–15 as outlined in Sections I and II.

Financial Statements Highlights

Condensed Statement of Operations (unaudited)
For the Year Ended March 31, 2015 (dollars)

Financial Information	2014–15 Planned Results	2014–15 Actual	2013–14 Actual[24]	Difference (2014–15 actual minus 2014–15 planned)	Difference (2014–15 actual minus 2013–14 actual)
Total expenses	153,517,047	79,035,316	204,622,832	(74,481,730)	(125,587,515)
Total revenues	-	-	21,540	-	(21,540)
Net cost of operations before government funding and transfers	153,517,047	79,035,316	204,601,292	(74,481,730)	(125,565,976)

Condensed Statement of Financial Position (unaudited)
As at March 31, 2015 (dollars)

Financial Information	2014–15	2013–14[25]	Difference (2014–15 minus 2013–14)
Total net liabilities	30,083,407	78,338,641	(48,255,234)
Total net financial assets	28,591,351	76,902,466	(48,311,115)
Departmental net debt	1,492,057	1,436,175	55,881
Total non-financial assets	357,994	204,060	153,934
Departmental net financial position	(1,134,063)	(1,232,115)	98,052

[24] In accordance with Treasury Board Accounting Standards, an accounting change has been applied retroactively and comparative information for 2013–14 has been restated. For additional details, see note 14 in FedDev Ontario's Financial Statements (unaudited) for 2014–15.

[25] In accordance with Treasury Board Accounting Standards, an accounting change has been applied retroactively and comparative information for 2013–14 has been restated. For additional details, see note 14 in FedDev Ontario's Financial Statements (unaudited) for 2014–15.

In 2014–15, FedDev Ontario's actual net cost of operations was $79.0 million compared to the 2014–15 planned result of $153.5 million and the 2013–14 actual net cost of $204.6 million. These differences are mainly due to lower than expected spending on transfer payments, which are largely attributed to the launch of the new suite of programming and the time needed to identify and carry out the due diligence on potential investments.

For its second five-year mandate, FedDev Ontario realigned its suite of programming to invest strategically in transformative projects with the potential to have sustained long-term success and positive impacts on the southern Ontario economy. This was a natural evolution for the Agency, but also presented some additional uncertainties, complexities and longer timeframes for project development by applicants as well as enhanced due diligence by the Agency. FedDev Ontario was able to successfully reallocate $40.2 million in unspent funding through the Advanced Manufacturing Fund (AMF) and a portion of the Southern Ontario Prosperity Initiatives (SOPI) related to the Massey Hall Revitalization project, which will enable the Agency to better respond to the funding requirements of multi-year projects and maximize the impact of its suite of programming on southern Ontario over the remaining four years of its mandate.

Financial Statements

FedDev Ontario's complete Financial Statements (unaudited) for 2014–15 can be found on FedDev Ontario's website.[v]

Supplementary Information Tables

The supplementary information tables listed in the *2014–15 Departmental Performance Report* are available on FedDev Ontario's website.[vi]

- Departmental Sustainable Development Strategy;
- Details on Transfer Payment Programs of $5 Million or More;
- Internal Audits and Evaluations;
- User Fees, Regulatory Charges and External Fees.

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the Tax Expenditures and Evaluations[vii] publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

Federal Economic Development Agency for Southern Ontario:

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Waterloo, Ontario
N2L 5A6

Fax: 519-725-4976

Toll Free: 1-866-593-5505

Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Includes operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Report on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*): A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Includes net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*): What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*) The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*) For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plan (*plan*) The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (*priorités*) Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*) A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*) A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*) Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

result (*résultat*) An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*) Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome *(résultat stratégique)*: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program *(programme temporisé)*: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target *(cible)*: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

Vote expenditures *(dépenses votées)*: Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Whole-of-government framework *(cadre pangouvernemental)*: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

i. ***Financial Administration Act***, http://laws-lois.justice.gc.ca/eng/acts/f-11/

ii. **Whole-of-government framework**, http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

iii. ***Public Accounts of Canada 2015***, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

iv. **Public Works and Government Services Canada website**, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

v. ***2014–15 Financial Statements***, http://www.feddevontario.gc.ca/eic/site/723.nsf/eng/02240.html

vi. **2014–15 Supplementary Tables**, http://www.feddevontario.gc.ca/eic/site/723.nsf/eng/02239.html

vii. **Government of Canada Tax Expenditures**, http://www.fin.gc.ca/purl/taxexp-eng.asp